
Department of Social and Health Services

Agency: 300

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-01

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration (MAA), did not provide the State Auditor's Office reliable records needed for audit in a timely manner.

Resolution/Status: The Department has implemented the following process to develop and follow monitoring procedures that would enable DSHS to supervise the performance of its Medical Management Information System (MMIS) vendor with more scrutiny:

- ## DSHS has modified the contract management plan with the MMIS vendor Affiliated Computer Services (ACS) to strengthen the quality assurance requirements regarding reporting and data analysis activities.
- ## MAA has implemented new processes for the review and retention of datasets requested by entities outside of DSHS and has also implemented a set of protocols that address the internal review of data prior to distribution. The Information Services Division of MAA receives a copy of the data file and validates it.

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Department of Social and Health Services

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-02

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration (MAA), received federal Medicaid funds for unallowable services provided to undocumented aliens.

Resolution/Status: The finding recommends that DSHS develop internal controls that would require employees to verify applicant's social security numbers (SSNs) and heed alerts sent by the Social Security Administration pertaining to invalid SSNs. DSHS does not agree with this recommendation. There are legitimate reasons why state employees may be unable to obtain the correct SSN as in the case of undocumented aliens. No action taken.

The finding recommends that DSHS develop an accounting system that would differentiate emergency from non-emergency procedures so that the appropriate funds could be used to pay for the designated services. MAA will look for opportunities to incorporate this recommendation into the 2005/2007 Chart of Accounts and the Medical Management Information System (MMIS) re-procurement, as appropriate. MAA has put in place a transitional Alien Emergency Medical policy and formed work groups to recommend a permanent policy.

The finding further recommends that DSHS develop clear policy and procedure manuals and establish internal controls that ensure staff make consistent referrals to medical consultants for diagnoses that are not listed in the eligibility manual and ensure that consultants respond promptly. DSHS does agree with these recommendation and has taken no corrective action related to them.

The finding also recommends that DSHS work with the U.S. Department of Health and Human Services to determine if any unallowable costs charged to Medicaid must be returned. DSHS does not concur with the questioned costs of \$671,210. Nursing homes and Community Options Program Entry System (COPES) clients, by nature of their functional assessment, meet medical condition criteria as outlined on page F-34 of the state's Fiscal Year 2003 Single Audit Report. Repayment of questioned costs is pending review and decision by the Centers for Medicare & Medicaid Services (CMS).

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-04

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration (MAA), has not established sufficient internal controls to ensure that Medicaid payments are made only to persons with valid social security numbers (SSNs) and are not made on behalf of deceased individuals or persons using the social security numbers of deceased individuals.

Resolution/Status: The MAA partially concurs with this finding, however there are many valid reasons why state employees may be unable to obtain or verify the correct SSN. These situations or reasons are outlined on page F-40 of the state's Fiscal Year 2003 Single Audit Report. Therefore, depending on the type of assistance or the need to expedite benefits, verification of SSNs is not an eligibility factor for assistance programs.

With regard to improving current structure and internal controls, DSHS is taking several steps to improve the accuracy of SSNs for both living and deceased individuals:

- ≠# The Automated Client Eligibility System (ACES) is convening a work group to review options to improve accuracy. This would include further automating how the state queries Social Security Administration (SSA) systems.
- ≠# DSHS is modifying the ACES interface with federal databases to improve checking the validity of SSNs. The work group made recommendations for automating this process. DSHS will conduct a review of current procedures with regard to control checks on SSNs for validity with the intent to identify areas that could be strengthened. This review is in process.
- ≠# Based on the above reviews, DSHS will provide additional training to involved agency personnel on how to improve accuracy of SSNs. (Estimated completion: April 2005)
- ≠# When the SSN is entered into ACES, it is verified in the interface. Currently, the interface runs monthly. It will be changed to run daily. (Estimated completion: January 2005)
- ≠# The recommendation to resolve the interface problems between ACES and the Medical Management Information System (MMIS) has already been addressed. DSHS modified the interface in July 2003.

The Department reviewed the transactions tested by the State Auditor's Office, concurs with the questions costs of \$10,232 as identified, and is awaiting response by the Centers for Medicare & Medicaid Services (CMS).

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-05

Finding: The Department of Social and Health Services (DSHS), Economic Services Administration, should improve compliance with eligibility requirements for the Temporary Assistance to Needy Families (TANF) Program.

Resolution/Status: The Department concurs with this finding and has taken the following corrective actions:

- €# The Department developed a cross-match of TANF recipients without earnings in the Automated Client Eligibility System (ACES) to verify consistency with family earnings records maintained by the Employment Security Department. A discrepancy list is generated monthly based on TANF review end dates. Cases with significant discrepancies are referred to the DSHS regions for investigation and appropriate corrective action. Completion, September 2004.
- €# The Department provided employees of the TANF program with access to the ACES training documents on using social security Alerts. Training documents are available on the ACES web site. The Department sent a message via the Inside Economic Services Administration (IESA) network advising field employees of the availability of the training documents. The notification will be resent annually. Completion, June 2004.
- €# The Citizenship and Alien Status chapter of the "Eligibility A-Z" manual was revised effective September 1, 2004.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-06

Finding: The Department of Social and Health Services, Medical Assistance Administration, has not established sufficient internal controls to ensure the eligibility of families enrolled in the Medicaid Basic Health program.

Resolution/Status: The Department partially concurs with this finding. The audit finding addressed three conditions:

Condition 1: The finding noted that for self-employed households, income information is not corroborated with an independent source such as tax returns from the state's Department of Revenue or the Internal Revenue Service. Although the Department requires receipts for expenses, for self-employed clients the Department continues to accept a self-declaration of income. The Department has contacted the Centers for Medicare & Medicaid Services (CMS) for guidance on this issue.

Condition 2: The finding noted that although income changes must be reported immediately, the Department could not provide evidence of procedures that ensure that this is occurring in a consistent manner. The Department responds:

- ≠# The Medical Eligibility Determination Section (MEDS) has established and emphasized policies for corroborating client income as outlined in the "Eligibility A-Z" manual.
- ≠# MEDS works with Basic Health (BH) during the certification period and continues to follow the "BH/MAA Policy and Procedure" manual.
- ≠# There is no requirement to verify income unless the income level is questionable. There are several ways to verify income levels when that becomes necessary.

Condition 3: The Department does concur with the finding that case auditing for BH Plus was not in compliance with internal corrective action plan governing adequate resources. It is important to note that this condition relates to case auditing by MEDS lead workers and supervisors. The audit plan was developed without advance knowledge that Department policies would change and before staff cutbacks forced lead workers to carry caseloads in addition to training new staff. Given the current circumstances, the audit plan has been updated to ensure compliance with the internal corrective action plan. Updates include:

- ≠# Realignment of caseloads to allow time for lead and supervisory employees to audit.
- ≠# Addition of the requirement that leads and supervisors establish timelines for performance of audits and monitoring their teams' weekly progress.
- ≠# Establishment of audit requirement criteria. Cases are selected for audit at random for seasoned employees or 100% review for new employees.
- ≠# Requirement for monthly submission of copies of completed audit forms to management.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-07

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration (MAA), has not established sufficient internal controls to ensure compliance with Medicaid provisions regarding licensing and other eligibility criteria for its health care providers.

Resolution/Status: The Department concurs with this finding. The audit finding addressed five conditions:

Condition 1: The finding recommends that the Department establish and enforce a termination deadline for providers who have not re-enrolled. In response, DSHS has established and enforced a termination deadline for the provider re-enrollment project since December of 2003. This deadline will enable MAA to terminate the providers that have not re-enrolled because they are deceased, have expired licenses, moved, or sold their practices.

Condition 2: The finding recommends that the Department update its Medical Management Information System (MMIS) with the monthly licensing data sent by the Department of Health (DOH). In April of 2004, DSHS started matching the Department of Health (DOH) license database with the provider file database monthly. DSHS is currently in the test stage and expects to finalize the process in January 2005.

Condition 3: The finding recommends that the Department establish controls that would ensure that claims submitted by providers who have practice restrictions associated with their licenses are not reimbursed for services they are no longer licensed to perform.

In June 2004, DSHS established a process in the provider enrollment unit that, if a provider has practice restrictions associated with his/her licenses, DSHS will send information to the Quality Management Section to determine how or what type of limitation will be placed on the provider's file.

In March 2004, DSHS established a core provider agreement database that holds information about each core provider agreement received to track its status and generate weekly reports to report problems if claims are not paying correctly.

Condition 4: The finding recommends that the Department should send the letters of expiration generated by MMIS to providers on a monthly basis when there is not an active license listed on the DOH website. Since March 2004, DSHS has been receiving computer-generated letters to send to providers whose licenses are going to expire during the next month. The Department then sends the letters to the provider after verifying with the DOH license website that the license has not been renewed.

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Condition 5: The finding recommends that the Department provide resources needed to enable the MAA to ensure the initial approval process is conducted as management intends. By January 2005, MAA will develop a plan to improve monitoring and oversight to ensure procedures for the initial approval process are conducted as management intends.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-08

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration has not established sufficient internal controls to ensure that capitation rates for its managed care providers are based on accurate fee-for-service encounter data.

Resolution/Status: The audit finding addressed three conditions:

Condition 1: The finding provided that the Department must continue to develop its fraud detection, enforcement, and prevention procedures for fee-for-service provider claims expanding to all provider areas. The Department does not concur with this finding. Fraud and Abuse policies and procedures are in place and compliant with the Centers for Medicare and Medicaid Services (CMS) guidelines for managed care. Current and future fee-for-service fraud and abuse is irrelevant to current and future managed care rate setting.

Condition 2: The finding provided that the Department must develop formal procedures for referral to the Medicaid Fraud Control Unit or other enforcement action. The Department does not concur with this finding. Refer to Condition 1, above.

Condition 3: The finding provided that the Department must review the use of data used in setting capitation rates to ensure that rates are not affected by erroneous fee-for-service data. The Department does not concur with this finding. The auditor misunderstood the rate setting process and therefore placed too much importance on fee-for-service and encounter data in current rate setting. The only fee-for-service data that has ever entered into rate setting is from 1993.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-09

Finding: The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA) and Medical Assistance Administration (MAA), have not set up an effective system of communication that would ensure that Medicaid payments are not being made to nursing homes that are not in compliance with the federally mandated health and safety standards.

Resolution/Status: The Department concurs that it needed to strengthen controls over this process, but disagreed with the auditor's recommendations. The recently installed notification process involving the federal Centers for Medicare and Medicaid Services (CMS) has solved the problem.

The current process is as follows:

ADSA recommends the need for an enforcement action to CMS.

CMS takes the enforcement action.

CMS communicates directly with MAA regarding dates of denial of payment.

Any further notification by ADSA to MAA would be duplicative and only add confusion.

Last year only 14 of 114 facilities did not come into compliance prior to CMS implementing a denial of payment remedy. Under the auditor's recommendation, ADSA would have communicated 100 unnecessary notices to MAA.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-10

Finding: The Department of Social and Health Services (DSHS), Aging and Disability Services Administration, cannot determine whether nursing home payment rates properly excluded unallowable expenditures related to supplemental Medicaid payments.

Resolution/Status: The audit finding addressed two conditions:

Condition 1: The finding provided that DSHS must follow its own audit procedures and ensure that supporting schedules detailing expenditures attributable to Proshare and other unallowable revenues are present in cost reports and that these expenditures are appropriately offset. In response, DSHS directed participating facilities to report their expenditure of Proshare funds so that the Department can ensure that such expenditures are not included in the Medicaid rate-setting and settlement processes. Such reporting started in January 2004, and will continue until facilities no longer receive Proshare funds.

Condition 2: The finding recommended that the Department should determine if nursing home rates should be recalculated to identify possible unallowable costs charged to Medicaid. The Department disagrees that there is a risk that current nursing home rates are in any significant way inflated by inclusion of Proshare funded expenses in the rate setting process for public hospital district nursing facilities. Refer to Department comments on page F-62 of the state's Fiscal Year 2003 Single Audit Report. The Department will continue to investigate the situation and will adjust rates downward and assess overpayments if found to be appropriate.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-11

Finding: The Department of Social and Health Services, Division of Childcare and Early Learning (DCCEL), does not have adequate internal controls over support for payments made to licensed family home providers and assurance that all recovered overpayments are credited to the proper funding source.

Resolution/Status: The audit finding recommended that DSHS require all licensed family home childcare providers use a standard attendance record issued by the Department. In response, a standard attendance record was designed, approved and placed in operation effective October 4, 2004. English and Spanish versions were placed on DSHS' website that day.

The finding also recommended that DSHS require family home child care providers to have the parent or custodian of each child sign the standard attendance record when the child arrives and departs from care, noting the arrival and departure times. In response, DSHS took the following action:

April 2003, DCCEL began revising the Family Home Child Care WAC to require children to be signed in and out of childcare.

May 2003, eighteen (18) forums were held to obtain input from licensed family child care providers.

June 2003, a forum was held to obtain input from childcare licensors.

July 2003, a forum was held to obtain input from stakeholders.

September 2003, community partners and Department staff reviewed the first draft of the WAC.

December 2003, the second draft of the revised WAC was posted for public review and comment.

February 2004, comments were reviewed and draft WAC was revised.

June 2004, three public hearings were held.

June 2004, second revised WAC proposed.

WAC became effective October 1, 2004.

Lastly, the finding recommended that the Department ensure that all funds recouped are returned to their proper sources. Funds recouped by Office of Financial Recovery (OFR) are allocated (through the cost allocation system) as reduction in expenditure for the funding sources where they originated. No further action is planned.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-12

Finding: The Department of Social and Health Services (DSHS), Division of Child Care and Early Learning, does not adequately perform background checks.

Resolution/Status: The Department did not concur with this finding. However, procedures have been put in place where licensors document viewing original identifying information at time of licensure and re-licensure. Forms for Day Care Centers and Family Home Care have been put in to use. The forms include visual confirmation of the person and original photo identification for each person who will have unsupervised or regular access to the children in care.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-15

Finding: The Department of Social and Health Services (DSHS) does not have adequate internal controls over the processing of expenditures through the Agency Financial Reporting System (AFRS).

Resolution/Status: The Department did not concur with the finding. Given the size and the decentralization of DSHS as an agency, reliance must be placed on management throughout the agency for notification as well as implementation and employment of established controls. Centralization of these issues is impractical and not realistic. Decisions of reasonableness need to be made by management most aware of the conditions.

- ## DSHS consolidated the filing of forms submitted relating to access requests, changes, and deletions to facilitate more effective management of access to the system.
- ## DSHS has obtained electronic files of all Agency Financial Reporting System (AFRS) User Ids, all mainframe (RACF) User Ids, and current employees. These lists have been matched to verify that the user IDs belong to active employees. This verification will occur on an on-going periodic basis.
- ## One work unit of DSHS grants access and makes changes for mainframe access. Another work unit grants access and makes changes for AFRS access. DSHS is working and will continue to work on better coordination between the two units.
- ## DSHS developed a detailed instruction for broad communication and posting on its website within the DSHS Financial Business Rules and Processes Manual. The document includes a discussion on the use of additional compensating controls if system controls for segregation are not used. Such as:
 - o Independent review and approval of payment documents and supporting documents.
 - o Independent review and documentation of transaction register and/or warrant register review and reconciliation.
 - o Review and correction of payments hitting the error file.Draft instructions have been created, however priority workload necessitates an estimated completion around March 2005.
- ## DSHS has worked closely with OFM representatives to explore alternative system controls that may mitigate the risk of not using the current system segregation controls. Some of these might include the use of sub-agencies or sub-organizations, as well as, controls by User ID and/or batch type. Another possibility is to evaluate the practicality of having the system deactivate users after a certain period of inactivity for the User ID. The estimated completion date is March 2005.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-21

Finding: The Department of Social and Health Services (DSHS), Division of Child Support (DCS), has not established adequate procedures to limit access to the Financial Management Imaging System (FMIS) only to those who need it.

Resolution/Status: The Department concurs with this finding. DSHS has implemented procedures to deactivate users, in a more timely manner, who are either no longer employed by DCS or no longer have cash processing responsibilities.

€# Monthly FMIS active users lists and discrepancy reports are sent to all DCS District Managers for review.

€# The personnel exit check list form has been modified to include a statement for the supervisor to certify the employee has been deactivated from FMIS.

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Department of Social and Health Services**Agency: 300**

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-28

Finding: The Department of Social and Health Services (DSHS), Mental Health Division (MHD), did not properly monitor its contract with a non-profit agency whose funds were used for the personal expenses of a staff member.

Resolution/Status: The Department took the following corrective actions by June 2004:

- ## A MHD policy on contract monitoring has been implemented.
- ## Most headquarters program staff have attended contracting training and are familiar with the provisions of the draft administrative policy and the requirements of contract monitoring.
- ## MHD will review contract monitoring requirements, periodically, at staff meetings, which are held monthly.
- ## Procedures have been established to require a comparison of billings to contract provisions. No payment is allowed prior to satisfaction of contract requirements. Procedures were distributed by January 1, 2004.
- ## Program Managers are now responsible for payment authorization, verification of reports and that services have been received.
- ## A letter was sent to the National Alliance for the Mentally Ill (NAMI) requesting verification of services in the questioned contract period. In response, NAMI verified services in the questioned contract period.
- ## Subsequently, MHD received documentation from NAMI that established the validity and allowability of services in the questioned contract period. A letter was sent to the NAMI on June 28, 2004, confirming that it was in compliance with all the requirements for receipt of Federal Block Grant funds; that the issue was completely resolved; and no repayment would be sought. The contractor was invited to bid on a new contract advertised in July 2004.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-29

Finding: The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), made inappropriate payments to a for-profit agency with which it has a contract to provide services to its clients.

Resolution/Status: The Department concurs with this finding and has taken the following corrective actions:

- €# DDD developed a spreadsheet feature in its cost report summary file that highlights any reported cost (from the contractor's cost reports) that is over 20% of the average cost for all contractors. The purpose of this variance flag is to easily identify and follow up on costs item that are significantly outside the norm. Some of the costs that this contractor reported in 2000 and 2001 would have been highlighted in the spreadsheet as possibly unreasonable costs and subject to follow-up action. DDD offers and encourages contractors to attend cost report training offered by the DDD Cost Reimbursement Unit. Contractors that attend the trainings make fewer mistakes and provide more reliable information. The DDD has, on some occasions, used Cost Reimbursement Analysts to do some field auditing independently of or in conjunction with Program Evaluators or regional staff. The DDD will be doing additional field audits in the coming year as time and resources permit.
- €# DDD worked with the contractor to revise the 2000 and 2001 cost reports to properly state allowable costs and determine subsequent payback amounts. The DDD Region 3 Administrator approved a partial offset (applying the non-staff loss provision of the subgrantee's contract) to the 2001 settlement. The final settlement amount reported to the Office of Financial Recovery was \$59,634.
- €# DDD coordinated with DSHS' Office of Accounting Services and Office of Financial Recovery to ensure that funds are recovered and returned to the appropriate funding source. The federal share of \$43,106 was returned to the Medicaid grant in August 2004.

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Finding Number: 03-44

Finding: The Department of Social and Health Services, Office of Accounting Services, does not have adequate internal control over the Foster Care Trust Fund.

Resolution/Status: The Department partially concurs with this finding. The Trust Fund (TF) Unit Supervisor no longer has signature authority on the bank accounts. All deposits to the bank are now being done by Electronic Fund Transfer (EFT). The monthly bank reconciliations have been reviewed by the Section Manager

The TF Unit Supervisor's access to the Agency Financial Reporting System (AFRS) has been terminated. The Trust Fund staff do not have authority to input documents (A19's) to create warrants in AFRS. The warrant register is being reviewed by a non-trust fund unit employee. The bank reconciliations are current.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-52

Finding: The Department of Social and Health Services, Medical Assistance Administration, has not established sufficient internal controls to ensure financial reports submitted to the federal government comply with Medicaid provisions.

Resolution/Status: DSHS partially concurs with the finding and has structured its corrective action by the conditions noted by the auditor:

Condition 1: The finding notes that DSHS is not reporting disbursements for alien emergency medical (AEM) services. The Department agrees that undocumented AEM services should be categorized separately from documented AEM services on the claim; however, the Department is unable to take corrective action at this time. The Automated Client Eligibility System (ACES) and Medical Management Information System (MMIS) systems do not currently have the capability of capturing undocumented aliens separately from documented aliens and U.S. citizens. Additionally, the MMIS does not currently have the capability of determining which services were performed as part of an emergent situation and/or any follow-up as required under the decision from Gutierrez vs. DSHS, Yakima Superior No. 032017662 (2003).

Condition 2: The finding notes that DSHS is underreporting disbursements in some categories. The Department partially concurs with this condition. However, the Department is not underreporting expenditures in aggregate. Because of a current situation with the Medical Management Information System (MMIS), there are expenditures included on Line 29, "Other Care Services," that should be reported in other categories on the claim. All reported expenditures are eligible for Title XIX clients. There are also instances where MMIS may not recognize the service code of a disbursement. These disbursements presently are assigned a misleading title of "suspense." These are not suspense items, but are legitimate Title XIX disbursements and are reported as such on the CMS 64 report. This condition was identified by MAA prior to the audit and DSHS personnel are actively working on a solution.

Condition 3: The finding provides that the Department does not have sufficient internal controls over preparation of the CMS-64. The Department does not concur with this condition of the finding. CMS has a full time fiscal auditor assigned to the State of Washington who is on-site for several weeks during the preparation of the claim, requesting justification and explanation for specific expenditures. The auditor approves the claim submission prior to DSHS certifying the claim. Additionally, the entire claim preparation is in itself a reconciliation of Title XIX expenditures. A one-page summary of the reconciliation activity is now prepared prior to the claim certification. Previously, the summary was prepared after certification.

Condition 4: The finding further provides that the Department must establish timely and consistent communications between the Medical Assistance Administration (MAA) and the Office of Accounting Services (OAS). There is now better coordination between staffs in the Office of Accounting Services (OAS) and MAA. Additionally, MAA staff has implemented better tracking and monitoring mechanisms to ensure timely correction of error situations.

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Condition 5: Lastly, the finding provides that the Department must ensure that the coding in the MMIS is accurate. In response, MAA has hired a full time fiscal analyst who has been identifying issues with the MMIS coding and developing appropriate corrections. Additionally, MAA has initiated a process for selection of a new MMIS system that will better meet the challenges of adequate monitoring of expenditures, identification of problematic areas and upkeep of coding.

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Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-54

Finding: The Department of Social and Health Services (DSHS), Medical Assistance Administration (MAA), is not complying with subrecipient monitoring requirements for the Medicaid Program.

Resolution/Status: The Department's Accounting Policy Management Board is developing an agency wide policy on subrecipient monitoring requirements. This policy is expected to provide clearer guidance for all of DSHS programs. Estimated implementation for the policy is January 2005.

Currently, MAA ensures compliance with the subrecipient monitoring requirements by:

- ⌘ Including appropriate compliance requirements in the language of the sub agreement award.
- ⌘ Providing subrecipients with program information (including federally required information) in the sub agreement award.
- ⌘ Providing consultation services to officials of subrecipients.
- ⌘ Reviewing monthly billings that have supporting documentation attached and reviewing the program/progress report that provide DSHS with the status of the program along with current measurements.
- ⌘ Reviewing the subrecipient's annual audit report and following up with corrective action plan.

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Department of Social and Health Services

Agency: 300

Audit Report: 2003 Statewide Accountability Report

Finding Number: 03-60

Finding: The Department of Social and Health Services did not comply with federal time and effort reporting requirements for its Rehabilitation Services grant.

Resolution/Status: The Department designed, and distributed for use, a certification form to meet OMB Circular A-87 requirements. The Department's Financial Services Administration issued an agency-wide policy and mandated all employees who work 100 percent on a single federal program comply with it. The policy requires completion of the certification form on a semi-annual basis.

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